

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 03 GENEVA 002593

SIPDIS

PASS USTR FOR ALLGEIER AND DWOSKIN
EB/OT FOR CRAFT
USDA FOR FAS/ITP/SHEIKH, MTND/YOUNG
USDOC FOR ITA/JACOBS

E.O. 12958: N/A

TAGS: [ETRD](#) [WTRO](#) [USTR](#) [WTRO](#)

SUBJECT: Meeting of the WTO General Council - October 19, 2005

[1](#)1. BEGIN SUMMARY. The General Council meeting on October 19, 2005 was shorter than usual in light of other DDA-related developments taking place simultaneously. Director-General Lamy began by recapping his comments at recent meetings of the Trade Negotiations Committee (TNC) and added that he would stress to ministers meeting informally in Geneva that they must act now to build on recent momentum. During the meeting, a few Members put down markers on issues of importance to them, including Mali (on cotton), Cuba and Kenya (on TRIPS/public health), Barbados (on small economies), and Uganda (on commodities).

[1](#)2. In terms of Hong Kong preparations, the General Council chair announced she is consulting with a view to reaching precise operational text for inclusion in the draft text on issues not under the remit of the TNC. In addition, the Council approved requests by Timor-Leste and Tuvalu for observer status in Hong Kong, but Egypt (for the Arab Group) blocked the Agency for International Trade Cooperation and Development (AITIC)'s request for observer status. The chair noted four requests by international intergovernmental organizations are pending and Members have until November 5 to express reservations.

[1](#)3. Agenda items included a report by the chair of the TRIPS Council on TRIPS/public health, a report by the chair of the Work Program on Small Economies, a report by the General Council chair on consultations involving the non-recognition of rights claimed by Honduras and Guatemala in connection with EC enlargement and the modification of the EC banana tariffs. Under other business, the United States requested a dedicated session of the General Council to discuss e/commerce issues, and the chair made a statement on GATT document de-restriction and archiving, expressing the intention to bring the matter up for decision by the General Council following the Ministerial Conference in Hong Kong. The next General Council meeting is planned for December 1-2. END SUMMARY

Statement by TNC Chair

[1](#)4. Director-General Lamy recapped his remarks at the TNC meetings of September 14 and October 13, noting that these remarks have been circulated (and are posted on the WTO website). He said there is a need for "urgent action" by all Members with a view to producing, by mid-November, a draft ministerial text based on convergence among negotiators. Referring to the recent U.S. proposal on agriculture, Lamy said he would stress in his meetings with ministers and negotiators that the task is to build on the new momentum and try to advance the negotiations on all fronts. He reiterated that the Hong Kong Ministerial Conference must be a success for the round to conclude by the end of 2006.

[1](#)5. After Lamy's report, Mali's Minister of Industry and Trade, Choguel Kokala Maiga, made a statement on behalf of the four cotton countries, reiterating the importance of cotton for their economies and expressing "serious alarm" that recent proposals do not solve the cotton issue. He called on the WTO to speed up work and come up with appropriate solutions, including through creation of "a solidarity fund" to mitigate the adverse effects of falling cotton prices and trade-distorting subsidies of developed countries. In his remarks, he pointed to daily death and suffering because farmers are no longer able to earn a minimal livelihood in the current global marketplace.

Preparations for the Sixth WTO Ministerial Conference

[1](#)6. The General Council Chair said that she is beginning a process of consultations with delegations and chairs concerning the nature and context of the texts to be put before ministers in areas of the Doha work program not under the remit of the TNC. The aim, she said, is to reach a high level of convergence on these areas before Hong Kong, to build it step-by-step so there are no last-minute surprises and that all delegations feel ownership of the outcome. She would work with the Director-General to put these issues into a coherent package for Hong Kong on the basis of his "bottom-up" approach to the ministerial text.

17. Affirming the centrality of development, she observed that many of these issues have considerable political significance for developing countries - TRIPS issues, notably TRIPS and Public Health but also the moratorium on non-violation complaints; small economies; trade, debt and finance; trade and transfer of technology; technical co-operation and capacity building; least-developed countries; and electronic commerce. On TRIPS/public health she noted the importance of giving space to work in other WTO bodies. Her aim is to develop concise operational text for the declaration, and she added that the revised draft Cancun Ministerial Text could be useful reference point in terms of the length and level of detail to aim for.

18. With respect to the conduct of formal and informal work in Hong Kong, the chair said she would brief delegations more fully at the next General Council meeting on December 1-2, once the agenda has become clearer. She closed by recalling that, under the rules of procedure, a provisional agenda for the formal part of the Conference will be communicated to Members at least five weeks before its opening (by 7 November). Members may propose items for inclusion in this provisional agenda up to six weeks before the opening of the session (by 31 October). Members wishing to do so should notify the Secretariat.

Attendance by Governments as Observers

19. The General Council approved requests by Timor-Leste and Tuvalu for observer status in Hong Kong.

Attendance by International Intergovernmental Organizations as Observers

10. Egypt (on behalf of the Arab Group) blocked the Agency for International Trade Information and Cooperation (AITIC)'s request for observer status. In principle the Arab Group is sympathetic to all requests for observer status, he said, but it is unable to accept this request because of an "outstanding issue" [a reference to the Arab League's outstanding request] and the need for a broader examination of the observership issue where "resolution is long overdue." He expressed a willingness to take part in any consultations. Switzerland expressed "deep disappointment at this position." The chair noted Egypt's willingness to consult on the matter and said she would keep Members informed.

11. The chair informed Members that four additional requests for observer status had been received from 1) the Technical Center for Agricultural and Rural Cooperation ACP-EC (CTA), 2) the Basel Convention, 3) the Council of Europe Development Bank, and 4) the African Development Bank. In keeping with past practice concerning requests by intergovernmental organizations without observer status in any WTO body, Members would be given until November 5, 2005 to communicate any reservations to the Secretariat. She would provide an update at the next General Council meeting.

Statement by TRIPS Council Chair on TRIPS/Public Health

12. The chair of the TRIPS Council, Ambassador Choi of Korea, notified Members that he has resumed consultations with key parties and the number of outstanding issues seems more limited than in previous discussions. Nevertheless, it is unlikely that the issue can be resolved by next week's meeting of the TRIPS Council, so his plan is to suspend the meeting to allow more time for consultations. With goodwill and cooperation, he concluded, an agreement on this issue by Hong Kong should be possible.

13. Cuba then spoke up, characterizing the issue as an extremely important trade of technology issue for the developing world and disingenuously calling attention to the "millions of men, women, and children that are dying in Africa". Kenya's representative then took the floor, saying his country is "hoping and praying" for a resolution of this issue by Hong Kong, an outcome that is becoming even more important because of the threats caused by bird flu. The General Council chair closed by urging Members to work hard to resolve the issue, but she also reminded Members that there is a waiver and many countries have enacted legislation, so it isn't as if nothing is in place.

Work Program on Small Economies - Report by the Chair

14. The chair of the Dedicated Session of the Council on Trade and Development (CTD) informed Members that a productive meeting took place on October 17 and the two-track approach involving work in negotiating bodies as well as the Committee on Trade and Development has a broad base of support among Members. He said he would intensify work in coming weeks over what could be submitted to ministers in terms of draft text for Hong Kong.

15. The ambassador of Barbados argued that the overall negotiations are nearing a "critical juncture" and warned that

the WTO would be judged harshly in small vulnerable economies if the ministerial declaration does not contain effective responses to their concerns. He recalled the contributions made by small vulnerable economies in substantive areas such as agriculture, NAMA, and fisheries subsidies and he underscored the "central role" of the CTD in the work program. El Salvador, Guatemala, Cuba, Jamaica, and Honduras supported the statement and echoed its themes.

Non-Recognition of Rights

¶16. The General Council chair reported on her consultations, saying that she has been unable to resolve the disagreement surrounding the claims of substantial interest submitted by Honduras and Guatemala concerning EC enlargement as well as the modification of the EC's tariff schedule under Article XXVIII. The chair noted a sense among Members that the issue should not be left unresolved because it risks complicating the agenda for MC6.

¶17. Guatemala and Honduras made long statements reiterating the importance of the matter and argued that the EC's stance involves important systemic implications. Both countries emphasized that the EC's position is especially damaging to small economies, with Guatemala warning that "today it is Guatemala, tomorrow it may be others." Honduras said the EC should consider how its stance is undermining the credibility of the organization and prospects for a successful Ministerial Conference. Eleven Members - Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Nicaragua, Paraguay, the Philippines, Uruguay, and Venezuela - expressed support for Guatemala and Honduras and urged the EC to respond to their concerns. Brazil added that this is a specific example of a problem facing small vulnerable economies requiring resolution. Costa Rica observed that the ongoing arbitration process is separate and independent from these consultations.

¶18. The EC gave an abbreviated version of its statement at the last General Council, key themes being that it is committed to faithfully fulfilling its obligations and that it is open to reviewing rules and established practices on this matter in the appropriate forum. He added that the EC is willing to continue consultations, and that it would meet bilaterally with any Member to discuss, on a tariff line by tariff line basis, the acceptance or rejection of its claims.

Committee on Budget, Finance, and Administration

¶19. The General Council adopted the Committee's report on its meetings in June and July 2005. The chair of the Budget Committee, Mr. Postma of the Netherlands, noted the report of the meeting on September 29, 2005 remained in dispute [the matter in dispute relates to whether the Junior Professionals' Program will be implemented in any way before concerns expressed by India, Bangladesh, and Pakistan over the participation of applicants from developing and least-developed countries are resolved].

Other Business

¶20. Three items were raised. First, the United States made a short statement requesting a dedicated session of the General Council to discuss electronic commerce issues in early November.

¶21. Uganda's representative made a long statement to the effect that commodities should feature prominently in the ministerial declaration particularly in light of worsening commodity problems facing developing and least-developed countries including tariff escalation and falling prices on international markets. He called for clarification of rules to stabilize commodity prices and for a consultative mechanism to address the issue.

¶22. On Lamy's behalf, the General Council chair read a statement on GATT document de-restriction and digital archiving, informing Members that after three rounds of consultations there seems to be broad support for 1) preserving the French and Spanish language documents, and 2) de-restricting the documents that were restricted during the GATT era. She expressed an intention to bring up the matter following the Ministerial Conference in Hong Kong and hoped for a positive decision that would help to safeguard the legacy of the GATT.

Next Meeting

¶23. The next meeting of the General Council will be December 1-2, 2005.